

polls and public opinion surveys have noted that the most desired item which people would like to see offered is the opportunity to prearrange and prepay their funeral services. Obviously, the need to provide this service, while offering the consumer protection, is unquestionable. In 1983, here in the State of Nebraska, a court ruling struck down all the protection offered the public in the current statutes by allowing any non-funeral director to sell caskets, vaults and so forth without having to trust any of the funds to assure that funds were available in the future whenever needed. The growing need for public protection to protect the legitimate funeral home and cemeteries' reputations led to the introduction of several bills in the 1983 Legislature. The bills in that Legislature had many differing ingredients and prompted the Public Health and Welfare and Banking Committees to ask the cemeterians and the funeral directors to meet and draw up a piece of compromise legislation. The form of LB 643, which you have this morning, is the result of a long period of input and information exchange between both associations and their memberships. LB 643 should enable the small funeral firm or cemetery to compete against the large firm which does not need the 15 percent hold-back to engage in making available pre-need offerings. Under the legislation as written, the public has protection as to the investment, the use and the rights of cancellation regardless from whom the funeral goods or services are purchased. The center provision of the bill deals with a trust mechanism which would encourage pre-need sales. As noted previously, at the present time the cemetery industry in Nebraska is completely unregulated in this matter. If pre-need sales are made, none of the funds collected must be placed in a trust so as to ensure their availability at the time of need. On the other hand, the funeral industry is restricted in the area of pre-need sales under existing law. This is due to the requirement that all monies collected must be placed in trust. I strongly urge your favorable consideration of this total measure with the amendments that will be offered. If passed, Nebraska will be the first state to enact legislation which jointly covers the cemetery and funeral industries. This legislation is far more stringent than our neighboring states. Iowa, Missouri, and Colorado require that only 80 percent be trusted. South Dakota's percentage of 65 is even less. We believe that this proposal will ensure Nebraska's consumers of a dependable marketplace, while at the same time encouraging private enterprise to